

# Inefficiency led to failed policies: Tun M

> 'Wealth disparity still exists 50 years after NEP'

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**KUALA LUMPUR:** The National Economic Policy (NEP) and Vision 2020 failed due to "inefficient policy making" by the governments under the fifth and sixth prime ministers, said Prime Minister Tun Dr Mahathir Mohamad.

However, Mahathir acknowledged that there were some success from the previous policies such as the increase in household income.

"Although there were improvements in terms of the economy, there was unfair distribution of wealth among the rakyat.

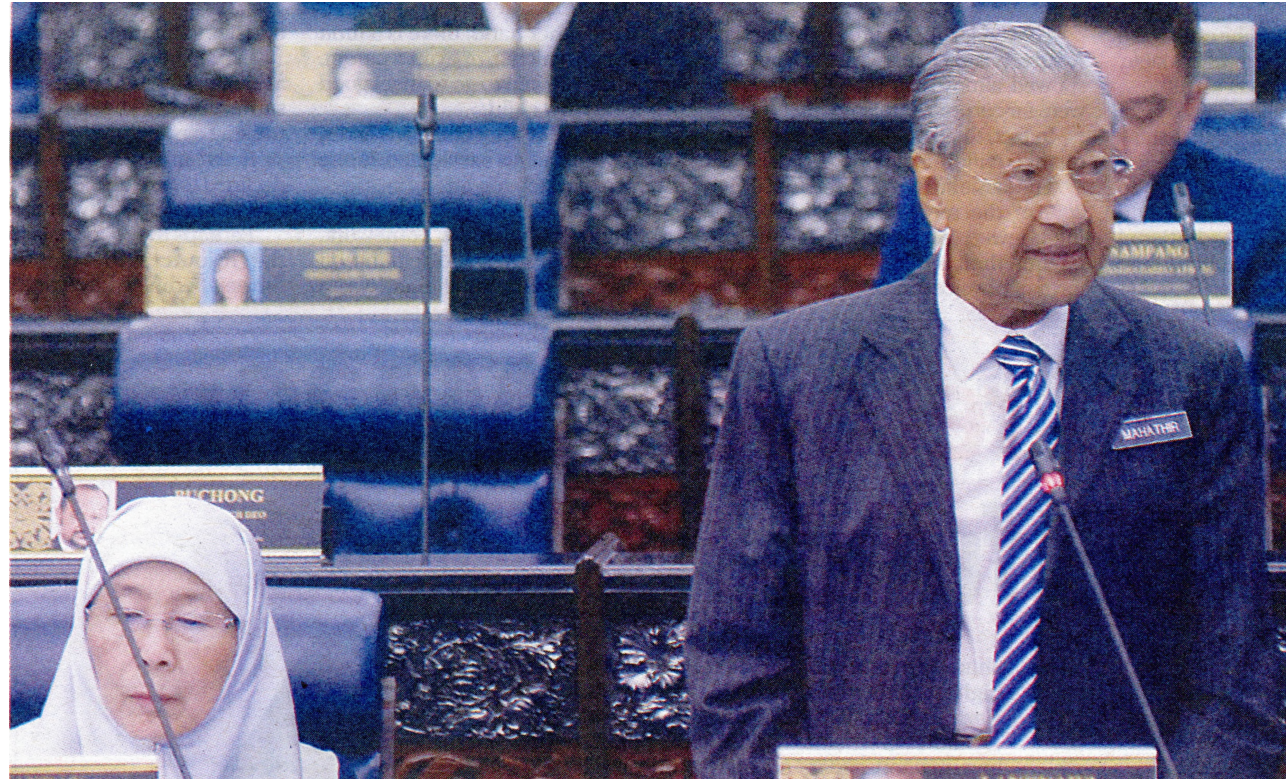
"The policy making was also hampered by abuse of power and corruption in the previous administrations," said Mahathir (PH-Langkawi) in response to a question by Nik Nazmi Nik Ahmad (PH-Setiawangsa) on how the Shared Prosperity Vision 2030 would overcome weaknesses such as abuse of power.

Mahathir said the government understood the income gap between the rich and poor would affect the nation's economic growth.

"With SPV 2030, the failures and mistakes of the past can be wiped clean. We found that even 50 years after the NEP was implemented, and Vision 2020, the income and wealth gap between the bumiputra and non-bumiputra still exists.

"The new approach via SPV 2030 should determine the policies, strategies and development incentives for the short, medium and long term.

"At the end, the government's job is to



Mahathir with Deputy Prime Minister Datuk Seri Wan Azizah Wan Ismail in Parliament yesterday.  
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ensure all Malaysians, regardless of race, will reach a decent standard of living by 2030," he added.

On another matter, Mahathir said the government has been reviewing the poverty line index since March.

The review is being conducted by the Statistics Department and the Health Ministry in collaboration with other agencies.

"It is important to completely eradicate poverty. I have also instructed the Economic

Affairs Ministry to study the United Nations Special Rapporteur's End of Mission Statements report," said Mahathir.

He was responding to a question by Datuk Seri Anwar Ibrahim (PH-Port Dickson) on the action taken by the government in relation to the findings of the UN report, that said Malaysia was using a poverty line index that did not reflect the actual cost of living.

"The household income survey (HIS) methodology used by the UN works in

determining the poverty rate on a macro level.

"It may have shortcomings at the micro level," Mahathir said, adding that it may not paint an accurate picture of consumption patterns, the needs and the actual demography of households at state and district levels.

Mahathir said the government will adopt the multidimensional poverty index (MPI) to complement the HIS system.

"The MPI is more inclusive and it adheres to international standards," he added.